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TAGS: [PGOV](#) [PREL](#) [PINR](#) [TH](#)

SUBJECT: THAILAND: AMBASSADOR DISCUSSES THE SOUTH WITH KEY
THAKSIN CONFIDANT

REF: A. BANGKOK 8377

[1](#)B. BANGKOK 7177

Classified By: AMBASSADOR RALPH L. BOYCE. REASON 1.4(D)

[1](#)1. (C) Summary: On January 27, I called on Pansak Vinyaratn, a principal advisor to Prime Minister Thaksin. Our conversation focused on the violence in southern Thailand and how the situation affects Thailand's ability to deploy additional troops to Iraq; how Thaksin is learning, slowly, to deal with Islam; and RTG policy approaches to the south based on economic development. See para. 10 for a biographical note on Pansak, perhaps the most influential member of Thaksin's inner circle. End Summary.

[1](#)2. (C) I called on Pansak Vinyaratn, principal advisor to Prime Minister Thaksin, at Government House on January 27. Pansak and I had worked together closely during the late 1980s when he was one of former Prime Minister Chatichai's advisors. The conversation quickly moved from renewing old acquaintances to a frank discussion about the current situation in the violence-plagued southernmost provinces of Thailand.

TROOPS FOR IRAQ -- REMEMBER THE SOUTHERN CONTEXT

[1](#)3. (C) Pansak noted the Thai deployments of military engineers and medical personnel to Afghanistan and Iraq as evidence of the close Thai/U.S. relationship. However, he added that the situation in the Muslim deep south must be taken into consideration when discussing a future Thai deployment to Iraq. Pansak said another deployment would have an impact on the situation in southern Thailand, because "it would give the thugs in the south another issue to rally around." He said the Prime Minister was not trying to get out of the commitment he had made to the President to re-deploy troops to Iraq, but would have to keep the context of the situation in the south in mind. Pansak claimed that the presence of Thai troops in Iraq was a very sensitive issue for Thailand's Muslim neighbors, as well as for Thai Muslims.

ARREST IN MALAYSIA

[1](#)4. (C) Pansak raised the issue of the Malaysian capture of Doramae Kuteh (AKA Chae Kumae Kuteh), who the Thai claim is a leading militant leader and responsible for the January 4, 2004 raid on a Narathiwat armory. Pansak said he had advised Thaksin to handle the arrest carefully and quietly and to avoid praising Malaysian Prime Minister Badawi publicly. Pansak said he was aware of Badawi's own political sensitivities at home with Islamic extremists. "Badawi needs to protect his flanks," he said. Pansak wryly conceded that Thaksin had ignored his advice through his very public handling of the issue, and now the RTG has to deal with the diplomatic and media fallout over Thaksin's public trumpeting of the arrest.

[1](#)5. (C) (Note: While in Phuket January 28-29 for the Tsunami Early Warning System Conference, I also spoke with

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Malaysian Secretary General of Foreign Affairs Fuzi Abdul Razak about the Kuteh case. Fuzi said the absence of an extradition treaty was not the issue, as there was a British-era document that could suffice. The problem was that in previous cases where Malaysia had quietly turned individuals over to Thailand, "they disappeared." He implied that detention in Malaysia under the ISA was preferable to such an uncertain fate in Thailand. End Note.)

THAKSIN'S LEARNING CURVE ON ISLAM

[1](#)6. (C) Pansak admitted that when dealing with issues related to the violence in southern Thailand and Muslims, Thaksin is often guided by his gut feelings and largely heeds his own counsel. Pansak's opinion was that Thaksin's judgment was "not perfect" in these matters. I pursued this theme, asking if Thaksin considered Muslim sensitivities in the south, and regionally, when he made decisions. Pansak

conceded that Thaksin, along with many others in the Thai leadership, needed to be educated about Islamic issues. He included himself among those with much to learn, noting, "I'm 62 years old, and I've had to read 40 books on Islam this year."

RTG POLICY APPROACHES TO THE SOUTH

17. (C) We discussed different scenarios and possible policy approaches to the south. Pansak said the government would focus on economic development, and not further "concessions" to deal with the south. He dismissed outright any idea of special autonomy for the region. He claimed that Thailand's provincial system already provided individual provinces with a great deal of local autonomy. Pansak conceded that many of the concerns in southern Thailand revolve around issues of Islamic education. However, he stated that Islamic "pondok" schools in the south already enjoy special status and greater privileges not afforded to other ethnic or religious schools in Thailand. He chose the Sino-Thai schools as one example of other ethnic schools that until recently had not received such special treatment. Pansak also noted that Zakat and Ushr (almsgiving and Islamic banking) Islamic practices are in place, and accepted, in Thailand.

18. (C) Pansak, who was an architect of the famous Chatichai-era policy of "turning a battlefield into a marketplace" in Cambodia, revisited familiar themes by saying that economic development was the key to stabilizing the south. He said the RTG was "searching for an economic model for the south" and cited a few positive examples of job creation in the troubled region. He noted that the Thai-owned Central Department Store company had recently opened a large discount retailer in Pattani in Southern Thailand (reftels) that was "providing jobs to the sons and daughters of Pattani." Pansak also cited the success of the U.S.-owned company Kimberly-Clark in southern Thailand. He said the Kimberly-Clark factory had never experienced any problems because the factory provided local Muslims with a "living wage." Pansak said these were models that the RTG would take inspiration from to develop the south. "Working people will not attack institutions in the south," he concluded.

19. (C) Comment: Pansak works hard to cultivate an image of a rumpled, iconoclastic intellectual, a style that is aggravating, and endearing, at the same time. He chain-smoked throughout the meeting, fiddled with multiple pairs of glasses, and punctuated his comments with profanity and raucous laughter. Regardless of appearances, most observers believe Pansak is the principal behind-the-scenes shaper of key policies for both the government and Thaksin's Thai Rak Thai (TRT) party. Pansak is certainly one of Thaksin's most trusted personal advisors, and his opinions and suggestions carry considerable weight -- perhaps the most -- when Thaksin turns to his inner circle for advice. End Comment.

BIOGRAPHIC NOTE:

10. (SBU) Begin Biographic Note: Pansak first gained recognition as an important member of the so-called "Ban Phitsanulok" advisory group working for the late PM Chatichai Choenhavan during 1988-1991. He was the architect of that government's famous Cambodia policy of "turning the battlefield into a marketplace."

A journalist by trade, Pansak has extensive connections with foreign and domestic press. He is the main person entrusted to draft speeches for PM Thaksin's use in international fora and other major meetings. The Far Eastern Economic Review once singled him out as the "Ex-Journalist behind Thaksin's Speech" after PM Thaksin's highly praised participation in the 2001 Fortune Global Forum in Hong Kong.

Born on August 19, 1943, Pansak received a BA in International Law from London University. After graduation, he returned to Thailand and worked briefly as an English news announcer for the Public Relations Department of the Prime Minister's office. He later entered media circles by working at the "Bangkok World" newspaper. In 1979 he resigned to establish his own newspaper firm "Chaturat," which eventually folded.

Pansak was asked to join the advisory team for PM Chatichai in 1988, where he became valued for his sharp and novel ideas. After the coup against the Chatichai government in 1991, Pansak returned to media work as a senior editor for the "Asia Times" English-language newspaper. It was during this time that his idea of "SME" (Small and Medium Sized Enterprises) caught the attention of Thaksin, who was then a Palang Dharma (PDP) Member of Parliament. In 1998, at the request of Thaksin, he became one of the co-founders of the Thai Rak Thai (TRT) political party. He has since played a pivotal role in shaping its policies.

Pansak is currently an "ordinary" (i.e. not an MP or cabinet official) member of the TRT, who still clearly is one of the party's leading figures. He once worked as an advisor to the NM Rothschild and Sons, Co., Ltd., and as a special lecturer at the National Defense College. He is married.
End Biographic Note.
BOYCE